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January 26, 2001

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EXECUTIVE SECRETARY

VIA OVERNIGHT DELIVERY

K. David Waddell, Executive Secretary
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37219

Re: **Docket No. 01-00013:** Domino Networks Communications, Inc.'s Responses to the Tennessee Regulatory Authority's January 11, 2001 Information Request

Dear Mr. Waddell:

Enclosed for filing on behalf of Domino Networks Communications, Inc. ("DNC") are an original and thirteen (13) copies of DNC's Responses to the Tennessee Regulatory Authority's ("TRA") January 11, 2001 Information Request. DNC respectfully submits this information to assist and expedite the TRA's examination of its Application for a Certificate of Public Convenience and Necessity.

Please note that Exhibits A and B contain confidential and proprietary information not generally available to the public. DNC, therefore, is submitting one copy of this information in separately sealed envelopes attached to the original copy of the responses. DNC respectfully requests that the information contained in Exhibits A and B be given confidential treatment and that it not be made a part of the public record or otherwise be made available for public disclosure.

Financial Requirements

Provide the following financial information of the Applicant:

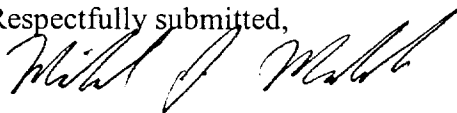
1. Current financial statements for the year ended December 31, 2000 for Domino Networks Communications, Inc. (The balance sheet, income statement, and statement of cash flows-Exhibit C contained projected profit and loss statements for the years 2000 through 2003 with a pro forma balance sheet as of December 12, 2000 without an income statement or statement of cash flows). Therefore, please file complete year ended December 31, 2000 financial statements.
- 1A. **Current year-end financial statements are attached hereto as Exhibit A. Please note that Exhibit A contains confidential and proprietary information not generally available to the public. DNC respectfully requests that the information in Exhibit A be given confidential treatment and that it not be**

made part of the public record or otherwise be made available for public disclosure.

2. Corrected and complete projected financial statements where all schedules agree. Exhibit D contains a projected profit and loss statement with *Earnings Before Interest, Taxes, Depreciation and Amortization* that reflect substantial Net Losses, which are not reflected in the equity section of the projected balance sheets. Please provide projected income statements that reflect *Net Income After Interest, Taxes, Depreciation, and Amortization* and agree with the projected balance sheets. Additionally, provide a projected statement of cash flows for the same years.
- 2A. **Projected financial statements are attached hereto as Exhibit B. Please note that Exhibit B contains confidential and proprietary information not generally available to the public. DNC respectfully requests that the information in Exhibit B be given confidential treatment and that it not be made part of the public record or otherwise be made available for public disclosure.**
3. Sources of funding DNC when the financial statements contain projected net losses.
- 3A. **During periods showing projected net losses, DNC may seek additional funds through private investors, vendor financings, and other debt and equity arrangements. For the record, DNC states that its projected net losses do not represent business reversals or inefficiencies; rather, they are the direct result of the implementation of DNC's long-term strategy for providing highly advanced, reliable, and competitively priced telecommunications services to its Tennessee customers. As a new competitive telecommunications company, DNC will need to invest significant up front capital to deploy its competitive state-of-the-art network in Tennessee before realizing substantial revenue in the state. Once DNC has established its customer base in Tennessee, however, its operating margins will improve quickly, and its projected net losses will reverse.**
4. Reminder: TC'A Section 65-4-125 amendment states that by September 1, 2000, all telecommunications service providers subject to the control and jurisdiction of the authority, *except* those owners or operators of public [pay] telephone service who pay annual inspection and supervision fees pursuant to Tennessee Code Annotated, Section 65-4-301(b), or any telecommunications service provider that owns and operates equipment facilities in Tennessee with a value of more than five million dollars (\$5,000,000), shall file with the authority a corporate surety bond or irrevocable letter of credit in the amount of twenty thousand dollars (\$20,000) to secure the payment of any monetary sanction imposed in any enforcement proceeding, brought under this title or the Consumer Telemarketing Protection Act of 1990, by or on behalf of the Authority. **Submit a corporate surety bond to the TRA on the provided forms, if applicable.**
- 4A. **The corporate surety bond is attached hereto as Exhibit C.**

Please date stamp the enclosed extra copy of this filing and return it in the self-addressed, postage prepaid envelope provided. Should you have questions concerning this filing, please do not hesitate to contact the undersigned the undersigned.

Respectfully submitted,

A handwritten signature in black ink, appearing to be "Russell M. Blau" and "Michael J. Mendelson" written together.

Russell M. Blau
Michael J. Mendelson

Counsel for Domino Networks Communications, Inc.

Enclosures

cc: Woody Traylor

EXHIBITS

Exhibit A	Year-End Financial Statements (<i>Filed Under Seal</i>)
Exhibit B	Projected Financial Statements (<i>Filed Under Seal</i>)
Exhibit C	Surety Bond

Exhibit A

Year-End Financial Statements

(FILED UNDER SEAL)

EXHIBIT A
Year End Financial Statements

Domino Networks Communications, Inc.
CONFIDENTIAL - FILED UNDER SEAL

Exhibit B

Projected Financial Statements

(FILED UNDER SEAL)

EXHIBIT B
Projected Financial Statements

Domino Networks Communications, Inc.
CONFIDENTIAL - FILED UNDER SEAL

Exhibit C

Surety Bond